

State of South Dakota

SEVENTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 1998

195B0053

SENATE TAXATION COMMITTEE

ENGROSSED NO. **SB91** - 1/26/98

Introduced by: Senators Rounds, Aker, Brosz, Brown (Arnold), Drake, and Lawler and
Representatives Duenwald, Apa, Kooistra, Koskan, Monroe, Schaunaman, and
Smidt

1 FOR AN ACT ENTITLED, An Act to revise the procedure for applying the index factor to the
2 amount of revenue payable from taxes on real property within a taxing district.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 10-13-35 be amended to read as follows:

5 10-13-35. This section does not apply to school districts. For taxes payable in 1997, and each
6 year thereafter, the total amount of revenue payable from taxes on real property within a taxing
7 district, excluding the levy pursuant to § 10-13-36, may increase no more than the lesser of three
8 percent or the index factor, as defined in § 10-13-38, over the amount of revenue payable from
9 taxes on real property in the preceding year, excluding the amount of taxes levied pursuant to
10 § 10-13-36. If a taxing district chooses not to apply all or any portion of the index factor in any
11 year, the unused portion shall carry forward and accumulate, un compounded, with the
12 subsequent index factor. No unused portion of the index factor may be carried forward for more
13 than two years. After applying the index factor, a taxing district may increase the revenue
14 payable from taxes on real property above the limitations provided by this section by the

1 percentage increase of value resulting from any improvements or change in use of real property,
2 annexation, minor boundary changes, and any adjustments in taxation of property separately
3 classified and subject to statutory adjustments and reductions under chapters 10-4, 10-6, 10-6A,
4 and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal value. A taxing
5 district may increase the revenue it receives from taxes on real property above the limit provided
6 by this section for taxes levied to pay the principal, interest, and redemption charges on any
7 bonds issued after January 1, 1997, which are subject to referendum, scheduled payment
8 increases on bonds and for a levy directed by the order of a court for the purpose of paying a
9 judgment against such taxing district. Any taxing district created after the effective date of this
10 section is exempt from the limitation provided by this section for a period of two years
11 immediately following its creation.

1 **BILL HISTORY**

2 1/20/98 First read in Senate and referred to Taxation. S.J. 116

3 1/23/98 Scheduled for Committee hearing on this date.

4 1/23/98 Taxation Do Pass Amended, Passed, AYES 5, NAYS 4. S.J. 174